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BGR MEDIA RELEASE

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BGR Analyzes New Orleans Early Childhood Education Property Tax on April 30 Ballot

Today, the Bureau of Governmental Research (BGR) releases a new report, [*On the Ballot: Early Childhood Education Property Tax, New Orleans, April 30, 2022.*](#) The report is intended to help New Orleans voters make an informed decision on whether to approve a new 5-mill, 20-year property tax dedicated to programs and capital investments that provide childcare and educational opportunities for children who have not yet entered kindergarten. It also provides BGR's position in support of the tax. Click here to read the [full report](#) or the [InBrief summary](#).

BGR's report finds that City of New Orleans, through an agreement with the parish's lead agencies for early childhood education, would allocate revenue from the proposed tax to initiatives designed to increase access to early childhood education, improve the quality of available early learning programs and provide comprehensive child development services. The City's agreement with the local nonprofit organization Agenda for Children and the Orleans Parish School Board directs the bulk of the estimated \$19.4 million net revenue to serving at least 1,000 children annually through City Seats, an existing City-funded program. City Seats provides year-round early childhood education and support services for economically disadvantaged children from infancy to 3 years old.

High costs and limited public funding make access particularly challenging for the children City Seats serves. Currently, publicly funded early childhood education programs support only one quarter of economically disadvantaged New Orleans children under age 4, leaving an estimated 8,400 unserved. At the same time, national research finds that comprehensive early childhood education for children from low-income households can deliver strong returns on investment through its positive impacts on earnings, health and crime. City Seats incorporates several practices that research has linked to improved child development and later-life outcomes that benefit participants and society. City Seats' income and age requirements also ensure that the tax revenue is eligible for State matching funds for early childhood education, which, depending on availability, could extend the program to an additional 1,000 children.

BGR' report finds that the agreement includes several financial and programmatic reporting requirements that promote strong financial stewardship and accountability for the revenue from the proposed tax. The report also suggests additional measures that would facilitate public oversight and increase transparency. While the report discusses general accountability concerns with the tax's 20-year term, it notes advocates' contention that the duration helps assure the small business owners whose early learning centers provide the bulk of childcare of the security of making investments necessary to increase citywide access to quality early childhood education.

Based on this analysis, BGR takes the following position on the tax proposition:

FOR. The tax would provide a stable revenue stream for significantly expanding City Seats, a well-designed early childhood education program established with City funding that serves economically disadvantaged New Orleans children ages 0 to 3. While substantial costs and limited public funding make access to early childhood education particularly challenging for this group, national research finds that providing high-quality early learning programs to low-income children can generate strong returns by increasing incomes, reducing crime and improving health. City Seats incorporates several practices that research links to improved social development, school readiness and later-life outcomes. Although during much of City Seats' four-year existence pandemic factors have limited the reliability of the nationally recognized assessments the program uses to measure early learning center and child performance, City Seats centers showed some early positive results. The program's age and income requirements also ensure that the tax revenue is eligible for a 100% match from the State of Louisiana, which could double the tax's impact and allow City Seats to serve at least 2,000 children annually – five times the current number. The spending plan for the tax revenue also includes critical funding to increase the capacity and quality of New Orleans' early childhood education sector so it can meet the projected citywide need.

The City and New Orleans' lead agencies for early childhood education have approved an agreement that would govern the tax revenue and direct it to various initiatives designed to grow City Seats, increase the capacity and quality of local early learning centers and improve the enrollment system for publicly funded programs. The agreement includes financial and programmatic reporting requirements that are essential for strong accountability. Its requirement for an annual external evaluation of program performance further supports effective use of the tax revenue. If properly fulfilled – and extended beyond the agreement's five-year term – these requirements should provide the City Council with the information necessary to evaluate the revenue needs of the tax-funded initiatives during the tax's 20-year duration.

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BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information, call (504) 525-4152 or visit BGR's website, www.bgr.org.